Supreme Court, U.S.
FILED
SEP 2 1994
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No. 94-49

In The

Supreme Court of the United States

October Term, 1994

SOLAR-KIST CORPORATION,

Petitioner,

vs.

CLOTILDE, INC.,

Respondent.

On Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Federal Circuit

RESPONDENT'S BRIEF IN OPPOSITION

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STATEMENT OF THE CASE

The Respondent, Clotilde, Inc., hereinafter referred to as Respondent/Clotilde and Clotilde is filing a statement of the case to the extent deemed necessary to correct inaccuracies or omissions in the statement filed by the Petitioner, Solar-Kist, Inc., hereinafter referred to as Petitioner/Solar-Kist and Solar-Kist, pursuant to Supreme Court Rule 15. Petitioner's statement of the case contains numerous misstatements.

First, Petitioner in the first sentence states that this "is a case of patent infringement of two patents tried to a jury." This particular statement is misleading since the issue of validity of the two patents was substantially argued by both sides and was a paramount issue as to patent infringement. Thus, this case should properly be called a case of patent validity as well as patent infringement.

Second, Petitioner makes misleading statements that appear to limit the claim coverage of the "principal step(s)" encompassed by the two patents in question. For example, as to U.S. Patent 4,597,812, Petitioner states that the "principal step of this patented method is to position a novel, thin, translucent, solid sheet made of Teflon on the assembly of fabrics and adhesives. . . . " Claim 1 of patent '812 is much broader than what this statement implies since claim 1 does not even mention "Teflon." Instead, Claim 1, states that the "sheet" is "an essentially nonporous self-supporting overlay sheet characterized by having all of the attributes of being thin, reusable, substantially frictionless, translucent and nonadherent . . . "

Similarly, Petitioner makes misleading statements that appear to limit the claim coverage encompassed by U.S. Patent 4,320,699. Petitioner states that this patent "claims as its patented invention the combination of a separate Teflon sheet with a frying pan or the like. This sheet enables the food to be easily removed from the pan to the plate, in contrast to pans where Teflon is bonded to the cooking surface. It is particularly useful for folding

soft-cooked eggs to produce omelets." These statements are misleading for several reasons. Claim 1 and none of the other claims of this patent mention limitations that include "frying pans and the like" but instead claim 1, more broadly states at line 1, "a rigid heat transfer cooking surface which in normal use has dry heat applied directly thereto for cooking material lying on said surface." Further, no where does claim 1 nor any other claim of this patent mention "in contrast to pans where Teflon is bonded to the cooking surface." Furthermore, no where does claim 1 of this patent nor any other claim refer to being the invention being "particularly useful for folding soft-cooked eggs to produce omelets." Thus, the patents have claims that are much broader than what the Petitioner suggests in their statement of the case.

Next, Petitioner makes further misstatements of undisputed facts on page 7 of their statement of the case. The misstatements are that "Clotilde's catalogs and packaging explain to the consumer how the sheets are to be used in fabric bonding or with a frying pan. In 1990, Clotilde stopped purchasing from Solar-Kist and began to sell Teflon sheets substantially identical to the Solar-Kist sheets and advertised by Clotilde in the same manner that it had previously advertised Solar-Kist's products" These statement are also misleading. Respondent/Clotilde offered undisputed evidence at trial that Clotilde bought different sized Teflon sheets from different suppliers and did not advertise specific uses for these Teflon sheets after Clotilde discontinued buying from Jacobson.

From approximately October 1983 through 1990, Respondent/Clotilde sold only Solar-Kist Teflon sheets that had a thickness of approximately .001 to .003 inches thick (1 to 3 mills). See pages 99-100 of trial court transcript. In 1990, Respondent/Clotilde discontinued selling Petitioner/Solar-Kist Teflon sheets and started selling Teflon sheets manufactured by a different supplier named Jacobson which had a different thickness than Petitioner/

Solar-Kist's sheets since the Jacobson sheets had a thickness of grater than .003 inches thick (3 mills). See pages 100 and 107 of the trial court transcript. Further, Respondent/Clotilde was buying the sheet material from Jacobson who also had patents dating back to 1956 covering Teflon sheet-material applications. See pages 103 to 107 of the transcript and Exhibits 1 to 5 which were admitted into evidence during the trial. During 1991, Respondent/Clotilde continued to purchase Jacobson sheet products and sold the products "just as the Teflon sheet with no instructions or reference to its use" and no instructions given on the packaging nor in the catalog. See page 101 of the trial court transcript.

From 1992 to August, 1993, Respondent/Clotilde started selling Taconic sheets which had a different thickness of greater than .004 inches (4 mills) thick. See pages 102, 103 and 107 of the trial court transcript. Again, Clotilde purchased Taconic sheet products with no instructions or reference to its use on the packaging nor in the catalog. See page 101 and 109 of the trial court transcript.

Both the Jacobson sheets and the Taconic sheets have thicknesses that are greater than and outside the .001 to .003 inches (1-3 mills) range required by claim 1 of Petitioner/Solar-Kist patent no. 4,320,699. Further, no specific instructions were given on the packaging nor in the catalogs describing these Teflon sheets which were sold by Respondent/Clotilde. Merely placing these products in a section of a catalog which has a heading labelled "pressing aids" and showing photographs of Teflon sheets with ironing boards and cooking wear are not instructions on how one specifically uses the sheets.

Petitioner's last two sentences in their statement of the case are also incorrect and misleading. Petitioner misstates that the "sheets sold by Clotilde have only one purpose, namely, to be used in the practice of one or the other of the two Solar-Kist patents. They have no other use." Undisputed testimony at the lower court and the

facts of this case clearly show that Respondent/Clotilde does not expressly limit that their products can only be used as non-stick liners on "rigid heat transfer cooking surfaces" which is required by claim 1 of patent '699. Likewise, Respondent/Clotilde does not expressly limit that their products can only being used as pressing sheets in "handicraft bonding" as required by claim 1 of patent '812. Certainly, Respondent/Clotilde's products can be used for many purposes such as but not limited to the prior art uses shown by the U.S. patents to Jacobson listed as Defendants Exhibits 1 through 5, described on pages 103 to 107 of the trial court transcript.

SUMMARY OF THE ARGUMENT

Petitioner's first question for review of whether the Federal Circuit erred in failing to use its supervisory powers to require the District Court to fully articulate its factual findings and its application of the law to those findings in granting Defendant's motion for judgement as a matter of law under *Fed. R. Civ. P.* 50 is improper to be brought before this Court. This issue is not proper to be before this Court since the issue was neither raised nor pressed below.

If the first question is properly before this Court, then the Federal Circuit did not err under *Fed. R. Civ. P.* 50(A) in not requiring the District Court to provide a full and clear statement of the facts and legal principals on which that judgement was based. The Federal Circuit was correct not to exercise their supervisory powers under the circumstances of this case. The exercise of these powers are within the discretion of the Federal Circuit to be used under exceptional circumstances. The evidence presented at the trial with the court's explanation was adequate to ensure proper appellate review. Therefore no exceptional circumstances existed that would require the Federal Circuit to exercise their supervisory powers. Petitioner's argument that would require a court to make explicit

findings before granting a motion for judgement is contrary to this Court's legal precedent. The legal precedent does not require a court to make a finding of fact. Therefore, there is no requirement for explicit findings. Moreover, the District Court sufficiently explained their rationale for granting a directed verdict in the remarks made of record to both counsel and to members of the jury.

The Petitioner's second question for review of whether the seventh amendment requires a district court granting judgement under *Fed. R. Civ. P.* 50 to make explicit findings to ensure adequate appellate review of a district court decision which denies the parties consideration of their claims by a jury, is an improper question to be brought before this Court. This issue should not be addressed by this Court since the issue was not pressed nor pushed at the Federal Court level.

If the second question was properly before this Court, then the District Court properly granted a judgement under *Fed. R. Civ. P.* 50 that did not need to make explicit findings as to what facts were not genuinely disputed and their significance with respect to the nonmovant's claim or defense to ensure adequate review, and did not deny the parties the jury consideration of their claims guaranteed by the seventh amendment to the United States Constitution. The seventh amendment was not offended because the evidence presented at the trial with the court's explanations was adequate to ensure adequate appellate review. Petitioner's need for explicit findings is not based on any argument that the undisputed facts could not support the legal conclusion reached by the District Court. Petitioner's dissatisfaction is that certain disputed facts were not considered. These disputed facts were never shown to be "material facts" that would create a need for trial to resolve a "genuine" issue. Further, decisions upholding directed verdicts have properly followed both parties having been fully heard on the issues. Since both parties in this case were able to

fully present their cases and be fully heard, the directed verdict was proper and the parties were not denied their right to a jury trial under the seventh amendment.

In reference to the third question presented for review, the District Court rendered a decision in accordance with applicable law. Petitioner has mischaracterized the District Court's legal analysis. The District Court was aware of the applicable legal test of *Graham v. John Deere* for patentability. Each critical step of the *Graham v. John Deere* analysis was followed by the District Court. Petitioner's dissatisfaction is their distaste with the District Court's form n applying the undisputed facts to the *Graham v. John Deere* test. The District Court properly concluded that the patents were attempting to cover new uses for Teflon and that since Teflon was a staple it could not be contributory infringed under applicable law. Any issues as to contributory infringement and inducement-to-infringement are moot in view of both patents being held invalid.

ARGUMENT

I. PETITIONERS FIRST QUESTION FOR REVIEW OF WHETHER THE FEDERAL CIRCUIT ERRED IN FAILING TO USE ITS SUPERVISORY POWERS TO REQUIRE THE DISTRICT COURT TO FULLY ARTICULATE ITS FACTUAL FINDINGS AND ITS APPLICATION OF THE LAW TO THOSE FINDINGS IN GRANTING DEFENDANT'S MOTION FOR JUDGEMENT AS A MATTER OF LAW UNDER FED. R. CIV. P. 50 IS IMPROPER TO BE BROUGHT BEFORE THIS COURT.

Petitioner raises a new issue here that was not heard before the Court of Appeals for the Federal Circuit and thus should not be addressed by this Court. Petitioner's brief to the Court of Appeals for the Federal Circuit and their reply brief did not raise the issue of whether the Federal Circuit should affirm a judgement rendered

under *Fed. R. Civ. P.* 50(A) without requiring the District Court to provide a full and clear statement of the facts and legal principles on which that judgement was based. This Court will not review an issue or question that was neither pressed nor passed on below. *U.S. v. Williams, Jr.*, 504 U.S. ___, 118 L. Ed. 2d 352, 112 S. Ct. ___ (1992). Thus, this issue should not be heard.

II. THE FEDERAL CIRCUIT FOLLOWED CORRECT PROCEDURE BY PROPERLY AFFIRMING THE JUDGEMENT WITHOUT REQUIRING THE DISTRICT COURT TO PROVIDE AN ADDITIONAL STATEMENT OF THE FACTS AND LEGAL PRINCIPALS ON WHICH THEIR JUDGEMENT WAS BASED.

If Petitioner's first question is correctly before this Court, then the Federal Circuit properly exercised their powers in not requiring the District Court to provide an additional statement of the facts and legal principals on which their judgement was based. Petitioner's first argument is not supportive of any of the questions presented for review. The first argument by Petitioners does not address under what circumstances the Federal Circuit should have used their supervisory powers to require the District Court to make explicit findings.

The Court of Appeals for the Federal Circuit will exercise their supervisory power over a lower court only sparingly and then only under "exceptional circumstances." *In re Furlong*, 885 F.2d 815 (11th Cir. 1989). In the preceding case, the Federal Court of Appeals invoked their powers because they held that "exceptional circumstances" were present because a lower court had adversely ruled against a defendant solely because the defendant's attorneys were present at a secondary case and that the counsel had stated that they had not been in communication with their clients in over two and one-

half years and thus could not effectively speak in their client's behalf.

Fed. R. Civ. P. 50 *"contains no specific requirement that the trial court articulate the basis for its decision to grant a motion for judgement as a matter of law. . . . "* A court can exercise supervisory powers when the evidence is insufficient to ensure proper appellant review. See *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 106 S. Ct. 2505 (1986) and *Sowell v. Butcher & Singer, Inc.*, 926 F.2d 289, 295 (3rd Cir. 1991).

In this case no exceptional circumstances exist because there was an adequate explanation for appellate review. The evidence presented at the trial court with the court's explanation was adequate to ensure proper appellate review. The motion for a directed verdict was granted after both parties had fully presented their cases and after the main issues of patent validity and infringement had been fully developed by the parties. Therefore, no exceptional circumstances existed in this case that would require the Federal Circuit to exercise their supervisory powers.

The Petitioner is incorrect in the statement that "adequate appellate review of a Rule 50(a) judgement is impossible where the trial court fails to articulate why the case fits within the criteria for such judgements established by this Court." If Petitioner's position is to be followed then appellate review must always require lower courts to articulate their reasons to the adverse parties' satisfaction. There is no such requirement that courts must articulate their reasons to a disgruntled parties satisfaction and to do so would necessitate an undue burden on the courts. Here, in the subject case, there was no need for the Federal Circuit to use their powers because it was implicit that the circumstances of this case do not warrant a further explanation. At the Court of

Appeals for the Federal Circuit a three judge panel reviewed the lower court's decision and it is implicit from the Federal Circuit's decision that they were satisfied that the trial court's rationale was fully articulated. If the three judge panel at the Federal Circuit did not understand the facts they would have remanded the case back to the District Court.

This Court has granted a petition for certiorari and vacated a Federal Court of Appeals' decision in a patent infringement and validity suit in *Dennison MFG. Co. v. Panduit Corp.*, 475 U.S. 808, 106 S. Ct. 1578 (1986). However, in that case the Federal Circuit had reversed a lower court's decision and did not fully explain why they came to their decision. This case is clearly distinguished since the Federal Circuit adopted the District Court's decision and provided an explanation. See attached Appendix, App. 3-11.

The Petitioner is incorrect in stating "the district court did not adopt a rationale for judgement fully articulated by the defendant, but instead set forth its own incomplete and inadequate reasons for entering judgement as a matter of law." Again the Petitioner has attempted to ignore the fact that all of the District Court's comments were part of that court's rationale in granting the directed verdict. Specifically, the District Court judge stated on page 197, lines 2-3 of the transcript that "I will adopt by reference whatever I said and the court reporter is taking it down." App. 8. This statement proves that the comments the District Court made to the jury after granting the directed verdict were part of the court's rationale in granting the directed verdict. App. 8-11. Although the Petitioner does not include these comments in the appendix to their petition, the attached appendix herein includes the comments made by the Judge to the Jury following the granting of the directed verdict. App. 8-11.

The Petitioner has cited this Court's standards for ruling on a Rule 50(a) motion from *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 251, 106 S. Ct. 2505, 212 (1986). This Court has held in *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248, 106 S. Ct. 2505, 2510 (1986), that there can be facts in dispute when granting a summary judgement as long as the disputed facts are not "material fact(s)" that would effect the outcome of the case. Petitioner has not shown how these so-called disputed facts could have effected the outcome of the subject case. The mere existence of some alleged factual dispute does not by itself preclude granting of a summary judgement. Here, the Petitioner has not provided specific arguments as to which specific facts were material enough to effect the outcome of the case.

Petitioner's foremost argument that would require a court to make explicit findings before granting a motion for judgement is contrary to this Court's legal precedent. This Court has held that there is "no requirement that the trial judge make findings of fact" when granting summary judgement when there are no genuine issues of material fact and the moving party is entitled to judgement as a matter of law. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 250, 106 S. Ct. 2505, 2511 (1986). Thus, there was no requirement for explicit findings by the trial court. Since the District Court did not have to make a finding then the facts covered by the District Court did not need to be explained. Moreover, the District Court in this case more than sufficiently explained their rationale for granting a directed verdict in the remarks made of record to both counsel and to the members of the jury. App. 3-11. Therefore, the District Court provided more than what was required by this Court's precedence.

Petitioner has cited several Federal Circuit cases that appear to show why adequate appellate review would

require a District Court set forth explanations and opinions for the reviewing court to understand the legal premise for any order granting a motion for judgement prior to submission of the case to a jury. However, those cases are distinguishable from the subject case. Furthermore, the decision of the Federal Circuit in the subject case does not conflict with these other Federal Circuit cases. In *Sowell v. Butcher & Singer, Inc.*, 926 F.2d 289, 295 (3rd Cir. 1991), the Federal Circuit exercised its supervisory powers to require a District Court to explain why that court granted a defendant's motion for directed verdict when the judge granted the motion without any explanation. In the subject case, the District Court provided a detailed explanation to both parties and also to the jury to explain the rationale as to why the directed verdict was granted. Petitioner has cited *Garrison v. Jervis B. Webb Co.*, 583 F.2d 258, 261 n.3 (6th Cir. 1978) as a case for "merely encouraging district courts to render opinions justifying their actions when granting motions for directed verdicts in jury cases under Rule 50(a)." However, that Federal Court stated in the same note that "formal findings of fact and conclusions of law are not required." *Garrison v. Jervis B. Webb Co.*, 583 F.2d 258, 261 n.3 (6th Cir. 1978). Petitioner further cited *Francis v. Clark Equipment Co.*, 993 F.2d 545, 555 (6th Cir. 1993) as a case that "requires a decision granting a motion for judgement prior to the close of all evidence to be accompanied by a specific statement of the dispositive issues and controlling law on which that decision is based." However, the motion was granted in that case at midtrial before the plaintiff had been fully heard on the merits. The subject case is distinguishable since the directed verdict motion was granted at the close of all evidence after both sides had completely presented their cases. Finally, the last case

cited by Petitioners was *Weir v. Chicago Plastering Institute*, 272 F.2d 883 (7th Cir. 1959) which reiterates the known rule that the Federal Rules of Civil Procedure does not require findings of fact on the granting of a motion for directed verdict.

Even though the District Court was not required to make an explanation or a finding of facts, the District Court provided a ten page transcript explaining their rationale for granting the directed verdict. See Appendix, App. 3-11. For example, on page 191 of the trial court transcript, the court states "I will grant the defendant's motion for directed verdict and I will make the following statement as to the reasons." App. 3. The court goes on with a lengthy discussion covering ten pages of rationale as to why the court states on page 195 that "I don't find that there are any issues that go to the jury that need resolution. I find that the facts are without dispute. It's just a matter of applying the law." App. 7. Thus, the evidence presented at the trial with the court's explanation were adequate to ensure proper appellate review.

III. PETITIONERS SECOND QUESTION FOR REVIEW OF WHETHER THE SEVENTH AMENDMENT REQUIRES A DISTRICT COURT GRANTING JUDGEMENT UNDER FED. R. CIV. P. 50 TO MAKE EXPLICIT FINDINGS TO ENSURE ADEQUATE APPELLATE REVIEW OF A DISTRICT COURT DECISION WHICH DENIES THE PARTIES CONSIDERATION OF THEIR CLAIMS BY A JURY, IS IMPROPER TO BE BROUGHT BEFORE THIS COURT.

The Petitioner has again raised a new issue here that was not heard before the Court of Appeals for the Federal Circuit and thus should not be addressed by this Court. Petitioner's brief to the Court of Appeals for the Federal Circuit and their reply brief did not raise the issue of

whether the "District Court granting judgement under *Fed. R. Civ. P.* 50 must make explicit findings as to what facts are not genuinely disputed and their significance with respect to the nonmovant's claim or defense to ensure adequate appellate review of the District Court decision to deny the parties the jury consideration of their claims guaranteed by the Seventh Amendment." This Court will not review an issue or question that was neither pressed nor passed on below. *U.S. v. Williams, Jr.*, 504 U.S. ___, 118 L.Ed.2d 352, 112 S. Ct. ___ (1992). Thus, this issue should not be heard.

IV. THE DISTRICT COURT WHEN GRANTING A DIRECTED VERDICT UNDER FED. R. CIV. P. 50 IS NOT REQUIRED TO MAKE EXPLICIT FINDINGS AS TO WHAT FACTS ARE NOT GENUINELY DISPUTED AND THEIR SIGNIFICANCE WITH RESPECT TO THE NONMOVANT'S CLAIM OR DEFENSE TO ENSURE ADEQUATE APPELLATE REVIEW AND SUCH A VERDICT DOES NOT DENY THE PARTIES THE JURY CONSIDERATION OF THEIR CLAIMS GUARANTEED BY THE SEVENTH AMENDMENT.

If Petitioner's second question is properly before this Court, then the District Court properly granted a directed verdict without having to make explicit findings as to what facts were not genuinely disputed and their significance with respect to the nonmovant's claim or defense for proper appellate review and the District Court's decision for granting a directed verdict did not deny the parties seventh amendment rights to a jury trial. The District Court can properly determine issues of obviousness in patent cases. The issues of obviousness in a patent case are a matter of law to be determined by the Court. *Panduit Corp. v. Dennison Manufacturing Co.*, 810 F.2d 1561, 1567; 1 U.S.P.Q.2d 1593, 1596 (Fed. Cir. 1987). A

patent is presumed valid and the party asserting invalidity must overcome the presumption by clear and convincing evidence establishing facts which support the conclusion of invalidity. *Panduit Corp. v. Dennison Manufacturing Co.*, 810 F.2d 1561, 1 U.S.P.Q.2d 1593 (Fed. Cir. 1987). Nonfactual disputes as to questions of obviousness of a patent are a matter of law to be decided by the court and not the jury. *Graham v. John Deere Co.*, 383 U.S. 1, 86 S. Ct. 684 (1966).

The District Court correctly stated at page 195, lines 20-22 of the trial court transcript that the facts necessary to make a conclusion of obviousness are *not in dispute in this case.* App. 7. Thus, under the seventh amendment of the United States Constitution, there were no issues that needed to go to a jury for resolution in this case. The seventh amendment was not offended because the evidence presented at the trial with the court's explanation was adequate to ensure adequate appellate review.

Petitioner's statement that at "a minimum, the trial court must indicate the facts which are indisputable under the evidence and the significance of those facts under applicable law" in reference to *Anderson v. Liberty Lobby Inc.*, 477 U.S. 242, 255, 106 S. Ct. 2505, 2513 (1986), is clearly incorrect. In that case, this Court held "there is no requirement that the trial judge make findings of fact. The inquiry performed is the threshold inquiry of determining whether there is the need for a trial – whether, in other words, there are any genuine factual issues that properly can be resolved only by a finder of fact . . . " *Anderson v. Liberty Lobby Inc.*, 477 U.S. 242, 250, 106 S. Ct. 2505, 2511 (1986).

Petitioner's dissatisfaction is that certain disputed facts were not considered. Petitioner raises evidence such as the expert testimony of Binks and Schwartz in that this testimony was not mentioned nor analyzed by the District Court. This Court has held that there can be facts in

dispute when granting a summary judgement as long as the disputed facts are not "material facts" that would effect the outcome of the case. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248, 106 S. Ct. 2505, 2510 (1986). Petitioner has not shown how these so-called disputed facts could have effected the outcome of the subject case. The mere existence of some alleged factual dispute does not by itself preclude granting of a summary judgement. Thus, the standards set forth in *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 106 S. Ct. 2505 (1986) have not been contravened.

Petitioner's need for explicit findings is not based on any argument that the undisputed facts could not support the legal conclusion reached by the District Court. Under *Fed. Civ. R. P.* 50, there is no requirement that explanations must be explicit but that under Rule 50(a), a "motion for judgement as a matter of law may be granted if during trial by jury a party has been fully heard with respect to an issue" and there is no legally sufficient evidentiary basis for a reasonable jury to have found for the nonmoving party. *Francis v. Clark Equipment Co.*, 993 F.2d 545, 554 (6th Cir. 1993). Petitioner's argument that would require a court to make explicit findings before granting a motion for judgement is contrary to this Court's legal precedent. This Court has held in *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248, 106 S. Ct. 2505, 2511 (1986), that there is no requirement that the trial judge make "findings of fact" when granting summary judgement when there are no genuine issues of "material fact" and if the moving party is entitled to judgement as a matter of law. Therefore, there is no requirement for explicit findings. Since the District Court did not have to make finding of facts, then the facts covered by the District Court did not need to be explained.

In the subject case, the directed verdict was granted after both parties had been fully heard in presenting their complete cases. Since both parties in this case were able to fully present their cases and be fully heard, the

directed verdict was proper and the parties were not denied their right to a jury trial under the seventh amendment of the United States Constitution.

The Petitioner has erred in the statement that the "record contains nothing to show that the trial court applied the appropriate standard in granting judgement for Defendant as a matter of law." For a directed verdict, a court must:

(1) consider all the evidence,

(2) in a light most favorable to the non-moving party,

(3) drawing reasonable inferences favorable to the non-moving party,

(4) without determining credibility of witnesses, and

(5) without substituting its choice for that of the jury between conflicting elements in the evidence.

If after following these guidelines, the court is convinced upon the record before the jury that reasonable persons could not reach or could not have reached a verdict for the non-moving party, the court should grant the motion for a directed verdict. *Connell v. Sears & Roebuck*, 722 F.2d 1542, 220 U.S.P.Q. 193 (Fed. Cir. 1983).

The District Court properly found that both patents were invalid by a directed verdict. Specifically, the District Court judge stated on page 197, lines 2-3 of the transcript that "I will adopt by reference whatever I said and the court reporter is taking it down." App. 8. This statement proves that the comments on pages 197 to 200 in the transcript covering what the district court said to the jury after granting the directed verdict were part of the court's rationale in granting the directed verdict. App. 8-11. Although the Petitioner does not include these comments in the appendix to their petition, the attached appendix encompassing pages 191 to 200 of the lower

court transcript includes the comments made by the Judge to the Jury following the granting of the directed verdict. App. 3-11.

The trial court record specifically reflects that the proper legal standards were followed in granting the directed verdict. Specifically on page 191 of the trial court transcript, the District Court stated that "I will grant the defendant's motion for directed verdict and I will make the following statement as to the reasons." App. 3. After a lengthy discussion, the trial court stated on page 195 of the transcript that "I don't find that there are any issues that go to the jury that need resolution. I find that the facts are without dispute. It's just a matter of applying the law." App. 7. In view of the District Court finding no genuine issues of material facts existed, then the judgement as a matter of law for a directed verdict in accordance with the standards set forth in *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 250, 106 S. Ct. 2505, 2511 (1986) as referred above, was properly granted.

V. THE FEDERAL CIRCUIT PROPERLY AFFIRMED THE TRIAL COURT'S JUDGEMENT UNDER APPLICABLE LAW.

A. THE FEDERAL CIRCUIT PROPERLY AFFIRMED THE TRIAL COURT'S JUDGEMENT THAT THE PATENTS WERE INVALID UNDER THIS COURT'S FACTORS FOR OBVIOUSNESS.

The District Court rendered a decision in accordance with applicable law. Although the District Court did not specifically mention the three prong test of *Graham v. Deere, Co.*, 383 U.S. 1, 148 U.S.P.Q. 459 (1966), it is clear that the District Court's oral statements on page 191 to 200 of the court transcript showed that the court was aware of the test since the court set out the specific factors for determining that the patents were invalid for

obviousness. App. 3-11. Petitioner's dissatisfaction is their distaste with the District Court's form in applying the undisputed facts to the three prong test of *Graham v. Deere, Co.*, 383 U.S. 1, 148 U.S.P.Q. 459 (1966).

The District Court was correct in holding both U.S. Patent 4,320,699 and U.S. Patent 4,596,812 were invalid as being obvious in view of prior art that was before the Patent Office as well as prior art that was not before the Patent Office. The latter prior art was offered and accepted into evidence at trial (see pages 10 to 11 of the Respondent's brief before the Federal Circuit). For a determination of obviousness, one considers the differences between the invention and the prior art, and would the invention as a whole have been obvious at the time it was made to a person of ordinary skill in the art to which the invention pertains. 35 U.S.C. sec. 103.

In granting the directed verdict, the District Court correctly applied each critical step of the three prong test set forth by *Graham v. Deere, Co.*, 383 U.S. 1, 148 U.S.P.Q. 459 (1966) in determining that U.S. patent 4,320,699 and U.S. patent 4,597,812 were obvious in view of the prior art. The three prong test requires the court determine:

(1) the scope and content of the prior art,

(2) the differences, if any, between each asserted claim and the prior art; and

(3) the level of skill in the art at the time of the invention.

The District Court was Correct in Holding U.S. Patent 4,320,699 invalid

A directed verdict holding U.S. patent 4,320,699 invalid was based on undisputed facts in an analysis by the trial court using the three-prong test of *Graham v. Deere, Co.*, 383 U.S. 1, 148 U.S.P.Q. 459 (1966). The 4,320,699 patent broadly encompasses the combination of

a separate, thin solid Teflon sheet with a frying pan or the like, to keep the cooking surface clean during frying. The sheet is removable in contrast to pans where Teflon is bonded to the cooking surface.

The first prong of *Graham v. Deere, Co.*, 383 U.S. 1, 148 U.S.P.Q. 459 (1966), identifies the scope and content of the prior art. At the trial, Jacobson U.S. Patent 2,750,697 issued in 1956, was offered into evidence as Defendant's Exhibit 1. See pages 103-104 of the trial court transcript. The Jacobson patent shows in Figure 5, a rolled up thin sheet of Teflon which is the same type of sheet material used by Clotilde. The thin sheet roll is used to make a flat iron shoe having a *non-stick* Teflon surface. Several other prior art patents to Jacobson were also offered into evidence. See Exhibits 2 through 5 and pages 104 to 109 of the transcript. These patents discussed similar uses of Teflon sheet coated applications where the Teflon sheet coatings were being used for their known non-stick characteristics on one side when heat was being applied to an opposite side of the sheet coating. However, these Teflon sheet rolls used in the Jacobson patents could just as easily be used as non-stick cooking sheets.

The suggestion for this use comes from the publications relied upon by Clotilde and introduced into evidence as exhibits. For example, the Joy of Cooking cookbook (Defendant's Exhibit 7, page 111 of the trial court transcript) describes at page 654 the process of cooking meringues using unglazed paper as a non-stick cooking sheet that has been well moistened. The Journal of Teflon reference published in 1971 (Defendant's Exhibit 6, pages 109-110 of the trial court transcript), shows that conveyor belts made with Teflon were used for their non-stick properties at Arby food restaurants to actually cook chicken. Clearly, the non-stick characteristics of Teflon sheets were used in cooking in the prior art.

The District Court referred to the first prong of *Graham v. Deere, Co.*, 383 U.S. 1, 148 U.S.P.Q. 459 (1966) with several statements that covered the scope and content of the prior art. This reference was made on page 194, lines 12+, of the District Court transcript with the following statements:

> "prior to that time cooks used usually bag paper that was dampened to achieve the same results, maybe without the same degree of success, but the fact is that the idea of using a liner in a cooking surface is not new. That's been around for years and years and the goal all along would be to use a nonstick surface. I assume if the heat did not get too high you might be able to use wax paper in a limited way. I believe even cookies were baked on wax paper and had been so done for a number of years." App. 6.

The second prong of *Graham v. Deere, Co.*, 383 U.S. 1, 148 U.S.P.Q. 459 (1966), was met with the above comments since the court stated the difference was that the prior art used other liners instead of Teflon for the same purposes as a nonstick cooking surface.

The third prong of *Graham v. Deere, Co.*, 383 U.S. 1, 148 U.S.P.Q. 459 (1966) examines the level of skill in the art at the time of the invention. At trial, the expert witness for Clotilde agreed at page 112 of the District Court transcript, that "in your experience as an experienced cook and homemaker. . . . it would be obvious to substitute the Teflon material (Journal of Teflon reference) for the paper of the book, Joy of Cooking." Thus, the results are the same combination claimed in the Solar-Rust cooking patent 4,320,699.

Under the third prong of *Graham v. Deere, Co.*, 383 U.S. 1, 148 U.S.P.Q. 459 (1966), the District Court found that these Teflon liners/sheets could be substituted as functionally equivalent for other nonstick prior art

liners/sheets. The courts have long held that one type of material with a known function can be substituted for another equivalent known material having a similar known function. *In re Merck & Co., Inc.*, 800 F.2d 1091, 231 U.S.P.Q. 375 (Fed. Cir. 1986). In the subject case, the District Court stated "so the fact that Teflon is heat resistant and nonstick seems to be a total obvious use of it and I find that the granting of a patent for lining pans with a nonstick material is so obvious that the patent is invalid and I would hold that patent to be invalid on the basis of obviousness" at page 194, lines 21-25 of the District Court transcript. App. 6.

The District Court summed up the three-prong analysis of using *Graham v. Deere, Co.*, 383 U.S. 1, 148 U.S.P.Q. 459 (1966) to invalidate the 4,320,699 patent with several statements made to the jury. On page 198, lines 18-21 of the trial transcript, the court explained in plain English the test for obviousness with the statement "Now, a patent in order to be valid, you have to consider prior art, have people been doing this before, is this something that's common knowledge or is this something that's really a new idea." App. 9-10. On page 199, lines 16-20 of the trial transcript, the court again made a correct analysis of obviousness with the remarks "Teflon pans have been around for a long time, long before this patent ('699). The idea here was not to use a bonded Teflon but to use a thin layer for cooking, and the fact that thin layers are available, the use would be obvious and the patent would be invalid." App. 10.

The District Court was Correct in Holding U.S. Patent 4,597,812 Invalid

The directed verdict holding U.S. Patent 4,597,812 invalid was based on undisputed facts in an analysis by the trial court using the three-prong test of *Graham v. John*

Deere, Co., 383 U.S. 1, 148 U.S.P.Q. 459 (1966). Solar-Kist patent 4,597,812 encompasses methods for attaching fabrics to one another, without sewing. The principal steps of this patented method are first to assemble the pieces to be bonded to one another and insert a layer of a fusible adhesive between them. After the assembly has been prepared, a thin, solid, overlay sheet made of Teflon type material is positioned on the assembly. Heat and pressure is applied to effect the bonding. The overlay sheet itself does not adhere but is readily removable and reusable.

The first prong of *Graham v. John Deere, Co.*, 383 U.S. 1, 148 U.S.P.Q. 459 (1966), identifies the scope and content of the prior art. At the trial, Jacobson U.S. Patent 2,750,697 issued in 1956, was offered into evidence as Defendant's Exhibit 1. See pages 103-104 of the trial court transcript. The Jacobson patent shows in Figure 5 a rolled up sheet of Teflon which is the same type of sheet material used by Clotilde. The roll is used to make a flat iron shoe having a non-stick Teflon surface. The shoe can be used to protect the fabric from being damaged by a too hot iron as well as from picking up any residue of fusibles, etc., and nothing sticks to the shoe. Several other prior art patents to Jacobson were also offered into evidence. See Exhibits 2 through 5 and pages 104 to 109 of the trial court transcript. These patents discussed similar uses of Teflon sheet coated applications in ironing shoes, for commercial laundry ironing, and garment steaming devices, where the Teflon sheet coatings were being used for their known non-stick characteristics on one side when heat was being applied to an opposite side of the sheet coating.

These Teflon sheet rolls could just as easily be used as a Teflon sheet material for pressing sheets. The suggestion for this use comes from the publications relied upon by Clotilde. For example, the Vogue Sewing reference

(Defendant's Exhibit 11 described at pages 118-119 of the trial court transcript) refers to pressing tools and pressing sheets such as brown paper strips and cheesecloth that can be used as an overlay sheet for the pressing tools. The Inside Story of Interfacing, a Swatched Manual (Defendant's Exhibit 8, pages 116-117 of the trial court transcript) refers to using press cloths such as light weight wool, gauze type diapers, sheer press cloths, nonwoven press cloths were commonly used in the sewing arts. The June Taylor Method of Custom Detail Pressing publication (Defendant's Exhibit 9 and pages 117-118 of the trial court transcript) describes the method of fabric bonding steps of the Solar-Kist '812 patent except using a fabric pressing sheet. Coats and Clark's Sewing Book (Defendant's Exhibit 21, pages 112-133 of the trial court transcript) which is put out by the leading company in the fabric and sewing field also describes the fabric bonding method of the Solar-Kist '812 patent with a type of Stitchwitchery that is a fusible web that fuses two layers of fabric material together. The Coats and Clark Sewing book describes using a "wet press cloth" as an overlayer to protect the fabrics that are being fused from the steam iron which applies the heat and pressure.

The District Court referred to the first prong of *Graham v. John Deere, Co.*, 383 U.S. 1, 148 U.S.P.Q. 459 (1966) with several statements that covered the scope and content of the prior art. This reference was made on page 195, lines 1-6, of the trial transcript with the statements "Now, the other patent ('812) claim handycraft bonding, there is no question that the procedure of using a fusible material between two other materials to bond the materials has been around for a long time. Stitchwitchery had put out this material that had been used. You apply heat, you melt the material and it bonds the fabrics together."

The second prong of *Graham v. John Deere, Co.*, 383 U.S. 1, 148 U.S.P.Q. 459 (1966), was met with the above comments since the evidence at trial showed the difference was that the prior art used other known types of pressing sheets such as brown paper strips, various press cloth materials and cheesecloth, instead of Teflon for the same purposes as a nonstick pressing sheet.

The District Court identified the difference over the prior art with the statement "the only thing different about this is to add a piece of Teflon there, which is heat resistant and nonstick" at page 195, lines 7-8 of the trial transcript. App. 6.

Under the third prong of *Graham v. John Deere, Co.*, 383 U.S. 1, 148 U.S.P.Q. 459 (1966), the District Court found that these Teflon pressing sheets could be substituted as functionally equivalent for other prior art pressing sheets. The courts have long held that one type of material with a known function can be substituted for another equivalent known material having a similar known function. *In re Merck & Co., Inc.*, 800 F.2d 1091, 231 U.S.P.Q. 375 (Fed. Cir. 1986).

At the trial, the expert witness for Respondent/Clotilde, agreed at pages 115 and 120 of the trial court transcript, that "it would be obvious to a person skilled in the field/art to substitute the Teflon material of the Jacobson patent '697 (the roll material) for the press cloth fabric, press cloth materials of the book starting with Sew Smart in the classroom, the Inside Story on Interfacing, the June Taylor Method of Custom Detail Pressing and Vogue Sewing and the Bishop Method of Clothing Construction."

The District Court discussed the third prong of *Graham v. John Deere, Co.*, 383 U.S. 1, 148 U.S.P.Q. 459 (1966), with the statements "in the past I am sure wax paper or muslin. . . . cheesecloth was used, a diaper was

used. People have been improvising for years, and once the attributes of Teflon were known, the obviousness of using Teflon is there so I don't see anything here that is a patentable idea. . . . I would find that this patent also is invalid on the basis of obviousness" at page 195, lines 9-19 of the trial court transcript. App. 6-7.

The District Court summed up the three-prong analysis of *Graham v. John Deere, Co.*, 383 U.S. 1, 148 U.S.P.Q. 459 (1966) in holding U.S. patent 4,597,812 to be invalid with several statements made to the jury. On page 198, lines 18-21 the District Court explained in plain English the test for obviousness to the jury with the statement: "Now, a patent in order to be valid, you have to consider prior art, have people been doing this before, is this something that's common knowledge or is this something that's really a new idea." App. 9-10. From page 198, lines 22-25 and page 199, lines 1-16 of the transcript, the court again made a correct and extensive analysis of obviousness with the following remarks:

> "With regard to the sewing process and the notions area, it was clear that for years people have been using fusible material to bond two materials together and using heat to do it. You heard testimony about Stitchwitchery making this material that bonds. The only thing that was new is using a material to keep the iron from getting contaminations if there should be any of that fusible material that would leak out, and in the past they used pressing cloths, they used various other materials, even wax paper, so I found that the process itself was not unique. The only thing that might have been new was the use of this flexible nonstick material which in the patent was not described as Teflon, but just any material that resists heat and is nonstick and flexible, so I said that was perfectly obvious use of the material, of the Teflon, which is not patented, and the patent would be void for

obviousness, that it would be obvious to anybody who had that material to use it that way." App. 10.

Since Petitioner/Solar-Kist did not distinguish the features of each claim in each patent, then the determination of validity should stand or fall with independent claim 1 of each patent of which their essential limitations have been properly analyzed above.

B. THE FEDERAL COURT PROPERLY UPHELD THE JUDGEMENT OF THE DISTRICT COURT THAT BOTH PATENTS WERE NOT INFRINGED UNDER 35 U.S.C. SEC. 171(b) AND 171(c).

Petitioners' arguments concerning any issues of infringement of their patents under 35 U.S.C. Sec. 171(b) and 171(c) are moot in view of the determination that the patents themselves are invalid under the three-prong analysis of *Graham v. John Deere, Co.*, 383 U.S. 1, 148 U.S.P.Q. 459 (1966) for obviousness discussed in the preceding section.

The District Court was correct in holding that Clotilde did not contribute to infringement of U.S. Patent 4,320,699 and U.S. Patent 4,597,812

The District Court was correct in finding no contributory infringement occurred by Respondent/Clotilde for either of the Solar-Kist patents. Under 35 U.S.C. 171(c) contributory infringement occurs when some material component of a patented combination or method is sold and that component is *not a staple article or commodity of commerce suitable for non-infringing use.* Petitioner refers to *Dawson Chemical Co. v. Rohm & Haas Co.*, 448 U.S. 176, 100 S. Ct. 2601 (1980) and *Hodosh v. Block Drug Co.*, 833 F.2d 1575 (Fed. Cir. 1987) as being improperly followed. However, in *Dawson Chemical Co. v. Rohm & Haas Co.*, 448 U.S. 176, 100 S. Ct. 2601 (1980), this Court concluded that 35 U.S.C. 271 confers upon the patentee a limited power to

exclude others from competition in nonstaple goods only. The District Court specifically discussed this case on pages 193, 194, 197 and 198 of the trial transcript and correctly held that since "Teflon" itself is a staple, there cannot be contributory infringement. App. 4-6, 8-9.

Since, Petitioner/Solar-Kist has not met their burden of proving that Teflon was not a staple, both U.S. Patent 4,596,812 and U.S. Patent 4,320,699 were not infringed. Again, under 35 U.S.C. 171(c) contributory infringement occurs when some material component of a patented combination or method is sold and that component is *not a staple article or commodity of commerce suitable for non-infringing use.* In this case the pressing sheet is suitable for use as a cooking sheet and such use does not infringe the handicraft bonding patent (4,597,812). Similarly, the cooking sheet is suitable for use as a pressing sheet, and such use does not infringe the cooking sheet patent (4,320,699). Both the pressing sheet and the cooking sheet are suitable for use in the "Iron Safe" device of Jacobson and this use does not infringe either patent in suit.

Jacobson's "Iron Safe" device is described in expired U.S. patent 2,750,697 (defendant's Exhibit 1, pages 103-104 of the trial court transcript). The patent shows in Figure 5 a roll of Teflon sheet material from which a flat iron shoe having a Teflon surface is made. The shoe is applied to an iron, and the Teflon surface is moved by the iron across the surface to be ironed. The fact that Teflon sheet material is shown in the patent is important because it shows that it is available for this use as well as for other uses.

Since the pressing sheet and the cooking sheet are the same thing as the roll of Teflon, i.e, Teflon sheet material, they can clearly be used to make the "Iron Safe" device of Jacobson without infringing either patent in suit.

The fact that Petitioner/Solar-Kist has two patents for two uses of Teflon Sheets is evidence of Teflon sheets being a staple. To hold otherwise, then the definition of staple would not include a single owner having patents of similar materials having multiple uses. The pressing sheet and the cooking sheet are both staple articles of commerce. Each has substantial non-infringing uses. Therefore, Respondent/Clotilde does not contribute to infringement of either patent in suit. *Lipscomb's Walker on Patents* sec. 22:8.

The District Court on page 191, lines 21-25 of the transcript, stated that "it's clear that Teflon as such is a staple. Teflon has been around for quite some time. It has been used primarily in conditions where people are generating heat and they don't want something to stick to it. I guess the classic example is a Teflon frying pan . . . " App. 3. The court went on to say on page 192, lines 15-18 of the transcript that "[s]ome argument has been made that this stuff was not readily available, but it was available. Somebody was making it. Somebody had the machinery to make it. There hasn't been any showing that it was nonexistent . . . " App. 4. Clearly, Jacobson expired U.S. patent 2,750,697, issued almost forty years ago in 1956, shows in Figure 5 a rolled up sheet of Teflon which is the same type of non-porous sheet material used by Clotilde and was thus capable of being manufactured many years before the Solar-Kist patents.

The District Court was correct in holding that Clotilde did not induce infringement of both U.S. Patents 4,320,699 and 4,597,812

The District Court properly determined that Clotilde does not actively induce infringement by adopting Clotilde's arguments. Under 35 U.S.C. 271(b), whoever actively induces infringement of a patent shall be liable

as an infringer. Petitioners/Solar-Kist's contentions that Clotilde's sale of its thin sheets of Teflon, as packaged and advertised, violates claims 1 and 5 of U.S. 4,597,812 and claim 1 of U.S. 4,320,699 is incorrect. Clotilde's catalogs do not induce infringement because they do not encourage one to take every step and element in the Claims of Solar-Kist's patents. These claims have several steps and elements that have no similar reference in the catalogs.

Petitioner/Solar-Kist implies that the broad references and pictures in Respondent/Clotilde's catalogs to pressing or cooking constitutes an active inducement to infringe. However, there is no support for this interpretation in the case law. There must be some reference to instructions on accomplishing a direct infringement of the claims, and these claims have substantially more detail than just requiring a Teflon sheet. *Tru-Line, Inc. v. Philadelphia Resons Corp.*, 224 U.S.P.Q. 141 (E.D. Louisiana 1984); *Plastering Development Center, Inc. v. Perma Glas-Mesh Corporation*, 179 U.S.P.Q. 838 (N.D., E. Div. Ohio 1973).

The Federal Circuit summary affirmance of the District Court's judgement that both patents were invalid for obviousness effectively voided any arguments concerning inducement-of-infringement and contributory infringement.

CONCLUSION

For the reasons set forth in the discussion above, the petition for writ of certiorari should be denied.

Respectfully submitted,

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UNITED STATES
DISTRICT COURT
SOUTHERN DISTRICT
OF FLORIDA

CASE NO. 91-6658-
CIV-RYSKAMP

SOLAR-KIST CORPORATION,

Plaintiff,

vs.

CLOTILDE, INC.,

Defendant.

_____/

FINAL JUDGMENT

(Filed Sep. 9, 1993)

THIS CAUSE came before the Court for trial by jury. At the conclusion of the evidence, the defendant moved for a directed verdict. The Court granted the directed verdict for reasons stated in open court. The Court found that the defendant could not be a contributory infringer in the sale of sheets of teflon because teflon is a staple. The Court further found that both the plaintiff's patents (4,320,699 and 4,597,812) are invalid because prior art made the claims obvious. Accordingly, final judgment is hereby entered for the defendant on the complaint and judgment is entered for the defendant-counter-plaintiff on the counterclaim. The patents (4,320,699 and 4,597,812) are declared invalid.

DONE AND ORDERED in chambers at the United States District Court, West Palm Beach, Florida, this 8 day of September, 1993.

/s/ Kenneth L. Ryskamp
KENNETH L. RYSKAMP
UNITED STATES
DISTRICT JUDGE

copies provided:
all counsel of record

* * *

[p. 191] THE COURT: All right, thank you.

Yesterday I indicated that I would let this matter go to the jury, and frankly I worked yesterday evening and this morning in trying to shape the issues that would go to the jury. In so doing I read a number of these cases that counsel has been kind enough to provide to me and I have decided to change my mind. I am not going to submit this to the jury. I will grant the defendant's motion for directed verdict and I will make the following statement as to the reasons.

The plaintiff brings this lawsuit seeking to enforce its patents dealing with the use of very thin teflon in conjunction with ironing and in conjunction with cooking. In so doing they are alleging that by selling thin teflon that the defendant is a contributory infringer.

Now, the initial issue to decide when someone who has a patent and has a material that is part of their patent that is not patentable and they are trying to restrict the sale of that material unless it is sold in conjunction with their patent is the question of whether or not the material that is not patented is a staple or a nonstaple.

Now, it's clear that teflon as such is a staple. Teflon has been around for quite some time. It has been used primarily in conditions where people are generating heat and they don't want something to stick to it. I guess the classic example is a teflon frying pan.

[p. 192] But teflon has many other uses. The term teflon is so much in the common parlance that when President Reagan was in office he was called the teflon

man because anything they threw at him, nothing stuck. No matter what they charged him with it seemed like it wouldn't stick, so everybody knew what they were talking about when they called him the teflon president.

The contention is being made that a thin teflon as opposed to thick teflon is something new and a different product. The allegation of contributory infringement was made by the plaintiff and the plaintiff would have the burden of establishing that this teflon is a nonstaple.

We already know of at least two different uses for it and we have identified other uses that aren't even included in the claims of the plaintiff here.

Some argument has been made that this stuff was not readily available, but it was available. Somebody was making it. Somebody had the machinery to make it. There hasn't been any showing that it was nonexistent. It may be that industry was using it and a whole other area that wasn't even explored is how do pot and pan manufacturers go about placing teflon, how do they go about bonding it to the metal. We don't know. Do they take a thin sheet of it and through some electronic process do they adhere it like a fusible, make it fusible to the metal? Well, we don't know.

In any event, I would find that teflon is a staple and [p. 193] therefore the contributory infringement claim must fail for lack of proof that it is a nonstaple.

Now, in reading the Dawson Chemical Company case v. Rohm & Haas, which is a very long opinion, it appears that over the years there has been considerable confusion in the courts regarding the contributory infringement

claim and a misuse of the patent defense, and the cases seem to have been kind of all over the lot and the patent attorneys urged Congress to enact legislation that would protect them, protect some of these patents.

The Supreme Court went into lengthy analysis of what the legislative history was because the claims that were presented in Dawson Chemical didn't come within the clear language of the statute, and what it resulted in was a five to four decision by the Supreme Court with a vigorous dissent by the four stating that patent issues doctrine should be recognized and shouldn't be overcome by this particular statue.

I am not going to go into all the details and the various contentions of the majority and the minority. I think I can sufficiently distinguish the Dawson Chemical case by the virtual stipulation that the chemical there, which they called, I don't know if I can put my hands on it right away, the chemical that was only useful in this agricultural purpose of trying to defoliate weeds that were growing among the rice [p. 194] without damaging the rice. It's called propanil, the shortened name for a much longer chemical term.

That leaves the consequence of such a ruling is that the plaintiff cannot protest or enforce or protect the sale of thin teflon because that is not included in its patent. In fact, one of the patents doesn't even identify teflon as being the substance although the other one does.

Now, what the patent claims do is attempt to have a method patented. The first method would be to use a nonstick material as a liner for heated cooking surfaces and in this case they identify it as teflon.

Prior to that time cooks used usually bag paper that was dampened to achieve the same results, maybe without the same degree of success, but the fact is that the idea of using a liner in a cooking surface is not new. That's been around for years and years and the goal all along would be to use a nonstick surface. I assume if the heat did not get too high you might be able to use wax paper in a limited way. I believe even cookies were baked on wa paper and had been so done for a number of years.

So the fact that teflon is heat resistant and nonstick seems to be a total obvious use of it and I find that the granting of a patent for lining pans with a nonstick material is so obvious that the patent is invalid and I would hold that patent to be invalid on the basis of obviousness.

[p. 195] Now, the other patent claim, handycraft bonding, there is no question that the procedure of using a fusible material between two other materials to bond the materials has been around for a long time. Stitchwitchery had put out this material that had been used. You apply heat, you melt the material and it bonds the fabrics together.

The only thing different about this is to add the piece of teflon there, which is heat resistant and nonstick. In the past I am sure wax paper or muslin, what is that other fabric that was mentioned –

MR. OLTMAN: Cheesecloth.

THE COURT: Cheesecloth was used, a diaper was used. People have been improvising for years, and

once the attributes of teflon were known, the obviousness of using teflon is there, so I don't see anything here that is a patentable idea.

I give deference to the patent examiners, although sometimes I wonder about some of the things they grant patents on, but I would find that this patent also is invalid on the basis of obviousness.

I don't find that there are any issues that go to the jury that need resolution. I find that the facts are without dispute. It's just a matter of applying the law.

I am sure there will be an appeal and maybe the Court of Appeals will grant some insight into this. We will give them a clear issue to rule on, but I feel certainly [p. 196] contributory infringement is not present here because this material is a staple.

I think the uses are obvious. It would be ludicrous to even attempt to enforce this patent. People can go out and buy this material. What the plaintiff is trying to do is prohibit the sale of thin teflon so that people can go out and line their pans or iron with it and it just doesn't make any sense that somebody would have a patent to prohibit the use of thin teflon in such a way when teflon isn't even being protected by a patent.

What I will do is I will enter a final judgment for the defendant. I will adopt the finding of fact and conclusions of law that I have made in open court without repeating them and judgment will be entered accordingly.

Is there anything else you feel that I should rule upon before we leave or have I covered everything? I know you are not happy with the ruling, but that's the way I see it.

MR. OLTMAN: I believe you have covered it all, your Honor.

THE COURT: All right.

MR. ZALLEN: May I ask one question, your Honor?

THE COURT: Yes.

MR. ZALLEN: Your Honor is going to issue a written final judgment and will the findings that you have dictated be part of the document?

[p. 197] THE COURT: No, I will just adopt them by reference. I will adopt by reference whatever I said and the court reporter is taking it down.

MR. ZALLEN: We can obtain a copy of your findings?

THE COURT: That's correct. It will be part of the transcript.

(Jury present, 11:05 a.m.)

THE COURT: Members of the jury, you have heard all of the evidence in this case. Generally, as I told you before, the jury decides questions of fact and the court decides questions of law.

At the conclusion of all the evidence the defendant filed a motion or made a motion for a directed verdict which in effect says Judge, there is no dispute as to the facts, under the law we are entitled to a judgment, and I have just granted that motion, which means that the jury doesn't have to decide any of the issues of fact.

Let me just explain to you, because you have invested a day and a half of your life to this case, exactly what I found.

This is somewhat of a unique case. The law has been changing over the years. Plaintiff's first claim was that the use of thin teflon by others would be a contributory infringement of their patent, it would urge other people to infringe on their patent.

[p. 198] The Supreme Court of the United States has said that in order for such a claim to be valid, the material that is not subject to the patent, in this case teflon, because the plaintiff has no patent on teflon, the material that is used in conjunction with their claimed invention must be a nonstaple. That is, that there would be no other use for this material other than in their invention.

The court has found that teflon has many uses, has been around for a long period of time and that therefore teflon is a staple and that the claim of contributory infringement would not be valid.

The plaintiff has claimed that well, teflon may have been around for a long time, but thin teflon was not and, of course, we saw from the evidence that it had been used in a prior patent, rolls of thin teflon, so the court ruled as a matter of law that there could be no contributory infringement.

The defendant filed a counterclaim urging the court to invalidate the two patents that are involved. Now, a patent, in order to be valid, you have to consider prior art, have people been doing this before, is this something

that's common knowledge or is this something that's really a new idea.

With regard to the sewing process and the notions area, it was clear that for years people have been using fusible material to bond two materials together and using heat to do it. You heard testimony about Stitchwitchery making this [p. 199] material that bonds.

The only thing that was new is using a material to keep the iron from getting contaminations if there should be any of that fusible material that would leak out, and in the past they used pressing cloths, they used various other materials, even wax paper, so I found that the process itself was not unique.

The only thing that might have been new was the use of this flexible nonstick material which in the patent was not described as teflon, but just any material that resists heat and is nonstick and flexible, so I said that was a perfectly obvious use of the material, of the teflon, which is not patented, and the patent would be void for obviousness, that it would be obvious to anybody who had that material to use it that way.

The same thing with the cooking. Teflon pans have been around for a long time, long before this patent. The idea here was not to use a bonded teflon but to use a thin layer for cooking, and the fact that thin layers are available, the use would be obvious and the patent would be invalid.

So I invalidated the two patents and I ruled for the defendant. You don't have to make any findings of fact and therefore you are discharged. You should call the

Code-A-Phone after 6:00 tonight to see if you are needed in any other cases.

We thank you for your willingness to serve, for the [p. 200] time that you were here, for your attentiveness in listening to the testimony, but according to the law, when the court feels that there is nothing for the jury, the court has the prerogative to make a ruling on the law.

I might say that I could be wrong and there are courts of appeal that if I am wrong they will take it up and see once if I made the right decision, and if I didn't they will send it back and we will do this all over again, but you won't be involved in that, of course.

Once again, you are discharged. Thank you for your willingness to serve.

I certify that the foregoing is a correct transcript from the record of proceedings in the above-entitled matter.